

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

IN THE MARION SUPERIOR COURT

CAUSE NO. _____

490070602PL007180

STATE OF INDIANA,)
)
 Plaintiff,)
)
 v.)
)
KAREN REINISCH, individually)
and doing business as)
MY HOUSE SAVER LLC,)
)
 Defendant.)

FILED
(115) FEB 21 2005
J. Light
CLERK OF COURT

COMPLAINT FOR INJUNCTION, RESTITUTION, COSTS, AND CIVIL PENALTIES

The State of Indiana, by Attorney General Steve Carter and Deputy Attorney General Matt Light, petitions the Court pursuant to the Indiana Credit Services Organizations Act, Indiana Code § 24-5-15-1 *et seq.*, and the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-1 *et seq.*, for injunctive relief, restitution, civil penalties, investigative costs, and other relief.

PARTIES

1. The Plaintiff, State of Indiana, is authorized to bring this action and to seek injunctive and other statutory relief pursuant to Ind. Code § 24-5-0.5-4(c) and Ind. Code § 24-5-15-11.

2. The Defendant, Karen Reinisch, individually and doing business as My House Saver LLC, at all times relevant to this complaint was an individual engaged in business as a

credit services organization in Marion County, located at 8506 Springview Drive, Indianapolis, Indiana 46260.

FACTS

3. At least since January 3, 2004, the Defendant has solicited and entered into contracts with Indiana consumers to assist consumers in securing deferred debt payments and to provide other services relating to consumer credit.

4. On or about January 3, 2004, the Defendant entered into a contract with Wilma Usery ("Usery") of Indianapolis, Indiana, wherein the Defendant represented that she would "mitigate loss relating to [Usery's] real property assets." A true and correct copy of Defendant's contract with Usery is attached and incorporated by reference as Exhibit "A".

5. The contract referred to in paragraph four (4) provided that the Defendant would (1) "conduct negotiations and maintain correspondence regarding [the Defendant's] attempts to establish resolution of and/or satisfaction of real property foreclosure situation" and (2) "conduct related negotiations and/or correspondence directly and/or indirectly with [Usery's] mortgage and other related parties," among other things.

6. The contract referred to in paragraph four (4) provided that Usery would pay Nine Hundred Dollars (\$ 900.00) to the Defendant for the services performed under the agreement.

7. The Defendant subsequently contracted with Usery to obtain mortgage re-financing for Usery for a fee of Five Thousand Dollars (\$ 5,000.00).

8. Usery made payments to the Defendant totaling One Thousand, Five Hundred Fifty Dollars (\$ 1,550.00) pursuant to the contracts referred to in paragraphs four (4) and seven (7).

9. On or about May 13, 2005, the Defendant entered into an oral contract with Marsha St. Cin ("St. Cin") of Plymouth, Indiana, wherein the Defendant represented that she would attempt to prevent mortgage foreclosure on St. Cin's residence. The Defendant further represented that, in the event mortgage foreclosure occurred, she would purchase St. Cin's home and sell it back to St. Cin on an installment contract basis.

10. On or about May 13, 2005, St. Cin made a payment of Five Hundred Dollars (\$ 500.00) to the Defendant pursuant to the oral contract referred to in paragraph nine (9).

11. After St. Cin was evicted from her home on July 18th, 2005, the Defendant offered to obtain financing for St. Cin for the purchase of another home residence.

12. The Defendant has never obtained a surety bond in the amount of Ten Thousand Dollars (\$ 10,000.00) as required by Indiana Code § 24-5-15-8.

13. The Defendant has never obtained a license to act as a loan broker as required by Indiana Code § 23-2-5.

COUNT I: VIOLATIONS OF THE CREDIT SERVICES ORGANIZATIONS ACT

14. Plaintiff realleges and incorporates by reference the allegations contained in paragraphs one (1) through thirteen (13) above.

15. By contracting to perform the services referred to in paragraphs four (4), five (5), and nine (9), the Defendant is a "credit services organization" as defined by Indiana Code § 24-5-15-2.

16. By failing to obtain a surety bond in the amount of Ten Thousand Dollars (\$ 10,000.00) prior to doing business as a credit service organization, the Defendant violated the Credit Services Organizations Act, Indiana Code § 24-5-15-8.

17. By receiving \$ 1,550.00 from Usery before the complete performance of the services identified in the contract referred to in paragraph four (4), and by receiving \$ 500.00 from St. Cin before the complete performance of the services under the oral contract referred to in paragraph nine (9), the Defendant violated the Credit Services Organizations Act, Indiana Code § 25-5-15-5(1).

18. By failing to provide Usery and St. Cin with a written statement containing each of the following provisions, as required by Indiana Code § 25-5-15-6, prior to executing a contract or receiving valuable consideration, the Defendant violated the Credit Services Organizations Act, Indiana Code § 25-5-15-6:

(a) a statement explaining the buyer's right to proceed against the bond or surety account required under Indiana Code § 24-5-15-8;

(b) The name and address of the surety company that issued a bond or depository and the trustee of a surety account and the account number of the surety account required under Indiana Code § 24-5-15-8;

(c) A complete and accurate statement of the buyer's right to review any file on the buyer maintained by a consumer reporting agency as provided under the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.);

(d) A statement that the buyer's file is available for review at no charge on request made to the consumer reporting agency within thirty (30) days after the date of receipt of a notice that credit has been denied; and for a minimal charge at any other time;

(e) A complete and accurate statement of the buyer's right to dispute the completeness or accuracy of an item contained in a file on the buyer maintained by a consumer reporting agency;

(f) A statement that accurate information cannot be permanently removed from the files of a consumer reporting agency;

(g) A complete and accurate statement indicating when consumer information becomes obsolete and when consumer reporting agencies are prevented from issuing reports containing obsolete information;

(h) A complete and accurate statement of the availability of nonprofit credit counseling services.

19. By failing to include in the contract referred to in paragraph four (4) a statement and notice of cancellation as required by Indiana Code §§ 24-5-15-7(a)(1) and 24-5-15-7(b), the Defendant violated the Credit Services Organizations Act, Indiana Code § 24-5-15-7.

20. By failing to provide St. Cin with a written contract containing each of the provisions required by Indiana Code § 24-5-15-7, the Defendant violated the Credit Services Organization Act, Indiana Code § 24-5-15-7.

COUNT II: VIOLATIONS OF THE DECEPTIVE CONSUMER SALES ACT

21. The Plaintiff realleges and incorporates by reference the allegations contained in paragraphs one (1) through twenty (20) above.

22. The transactions referred to in paragraphs 4, 7, 9 and the proposed transaction referred to in paragraph 11 are “consumer transactions” as defined by Indiana Code § 24-5-0.5-2(a)(1).

23. The Defendant is a “supplier” as defined by Indiana Code § 24-5-0.5-2(a)(3).

24. The Defendant is a “loan broker” as defined by Indiana Code § 23-2-5-3(e).

25. The violations of the Indiana Credit Services Organizations Act referred to in paragraphs 16, 17, 18, 19, and 20 constitute deceptive acts pursuant to Indiana Code § 24-5-15-11.

26. The Defendant’s representation to Usery that the work would be started and completed within a reasonable time, according to the course of dealing or the usage of trade, when she knew or should reasonably have known that it would not be so completed, is a violation of Indiana Code §24-5-0.5-3(a)(10).

27. By contracting with Usery to perform services as a loan broker and by soliciting St. Cin to perform services as a loan broker without obtaining the license required by Indiana Code § 23-2-5-4, the Defendant violated the Deceptive Consumer Sales Act, Indiana Code §§ 24-5-0.5-10(a)(1)(C) and 24-5-0.5-10(a)(1)(A).

COUNT III: KNOWING AND INTENTIONAL VIOLATIONS OF THE DECEPTIVE
CONSUMER SALES ACT

28. The Plaintiff realleges and incorporates by reference the allegations contained in paragraphs one (1) through twenty-seven (27) above.

29. The misrepresentations and deceptive acts set forth above were committed by the Defendant with knowledge and intent to deceive.

RELIEF

WHEREFORE, the Plaintiff, State of Indiana, requests the Court enter judgment against the Defendant, enjoining the Defendant from the following:

- a. In the course of performing services as a credit services organization, failing to obtain a surety bond in the amount of Ten Thousand Dollars (\$ 10,000.00) prior to doing business as a credit services organization;
- b. in the course of performing services as a credit services organization, charging or receiving money or other valuable consideration before the complete performance of services on behalf of a consumer, unless the Defendant has obtained a surety bond issued by a surety company admitted to do business in Indiana or established an irrevocable letter of credit under Indiana Code §24-5-15-8;
- c. in the course of performing services as a credit services organization, failing to provide the consumer with a written statement containing each of the provisions required by Indiana Code § 25-5-15-6 prior to executing a contract or receiving valuable consideration;
- d. in the course of performing services as a credit services organization, failing to include in contracts with consumers the statement required by Indiana Code § 24-5-15-7(a)(1) and two (2) copies of the notice of cancellation form required by Indiana Code § 24-5-15-7(b);

e. representing expressly or by implication that the Defendant is able to begin performing or to complete a credit services contract within a stated period of time, or when no time period is stated, within a reasonable time, when the Defendant knows or should reasonably know that she cannot;

f. soliciting to engage in a consumer transaction without a permit or license required by law;

AND WHEREFORE, the Plaintiff, State of Indiana, further requests the Court enter judgment against the Defendant for the following relief:

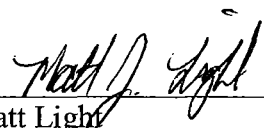
- a. costs pursuant to Indiana Code § 24-5-0.5-4(c)(3), awarding the Office of the Attorney General its reasonable expenses incurred in the investigation and prosecution of this action;
- b. restitution on behalf of Wilma Usery in the amount of One Thousand, Five Hundred Fifty Dollars (\$ 1,550.00);
- c. restitution on behalf of Marsha St. Cin in the amount of Five Hundred Dollars (\$ 500.00).
- d. on Count III of the Plaintiff's complaint, civil penalties pursuant to Indiana Code § 24-5-0.5-4(g) for the Defendant's knowing violations of the Deceptive Consumer Sales Act, in the amount of Five Thousand Dollars (\$5,000.00) per violation, payable to the State of Indiana;
- e. on Count III of the Plaintiff's complaint, civil penalties pursuant to Indiana Code § 24-5-0.5-8 for the Defendant's intentional violations of the Deceptive Consumer Sales Act, in the amount of Five Hundred Dollars (\$500.00) per violation, payable to the State of Indiana; and

f. all other just and proper relief.

Respectfully submitted,

STEVE CARTER
INDIANA ATTORNEY GENERAL
Attorney no. 4150-64

By:



Matt Light
Deputy Attorney General
Attorney No. 25680-53

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MyHouseSaver, L.L.C.

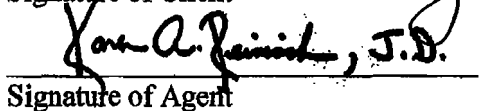
This Agreement between **MyHouseSaver, L.L.C.**, hereinafter, Agent, of Address of 8506 Springview Drive, Indianapolis, Indiana 46260 and **Ms. Wilma J. Ursery**, hereinafter Client, of Address

In Consideration of the mutual covenants and conditions hereinafter set forth and for other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agrees to the following terms and conditions regarding services to be provided by Agent on behalf of Client concerning mortgage, and other related parties and/or attempts by Agent on behalf of Client to mitigate loss relating to Client's real property asset(s):

1. Client hereby grants Agent authority to conduct negotiations and maintain correspondence regarding Agent's attempts to establish resolution of and/or satisfaction of real property foreclosure situation.
2. Each party agrees to proceed in good faith to the best of its ability towards resolution of real property foreclosure situation. Agent does not make any guarantees. Agent hereby agrees that correspondence and negotiations will be conducted in a timely manner, and with the specific intent to secure the most cost effective resolution for the client.
3. Agent will conduct related negotiations and/or correspondence directly and/or indirectly with client's mortgage and other related parties. Agent will not be acting in a legal capacity during these negotiations and client should seek the services of an attorney for any legal questions.
4. Client hereby agrees to pay Agent for consideration of services and said payment shall be payable to Karen Reinisch in the amount of **\$900.00**. Full payment shall be due to agent upon the date as herein indicated with the signature of client in the form of **Cash or money order in the amount of \$300.00 on November 3rd, 2004, \$300.00 November 17th, 2004 and \$300.00 on December 1st, 2004.** Agent hereby reserves the right to terminate services on behalf of client in the event the agent and client can not agree on a course of action(s) in the attempt to resolve client's real property foreclosure situation. Client hereby reserves the right to terminate the contract at any time and pursue a different course of action(s).
5. The parties acknowledge that this Agreement may be negotiated and transmitted between the parties by means of e-mail or a facsimile machine and that the terms and conditions agreed to are binding upon the parties.
6. This agreement sets forth the entire agreement between the parties relating to the subject matter hereof and stands in the place of any previous agreement, whether oral or in writing. The parties agree that no amendment to this agreement shall be binding upon the parties unless it is in writing and executed by both parties.


Signature of Client

11/3/04
Date


Signature of Agent

Date

